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INTERVENTION

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BEFORE THE ARIZONA CORPORATION COMMISSION SEP 27 P 3: 33

Arizona Corporation Commission

WILLIAM A. MUNDELL
CHAIRMAN

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AZ CORP COMMISSION
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SEP 27 2002

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY FOR
AN ORDER OR ORDERS AUTHORIZING IT
TO ISSUE, INCUR, OR ASSUME EVIDENCES
OF LONG-TERM INDEBTEDNESS; TO
ACQUIRE A FINANCIAL INTEREST OR
INTERESTS IN AN AFFILIATE OR
AFFILIATES; TO LEND MONEY TO AN
AFFILIATE OR AFFILIATES; AND TO
GUARANTEE THE OBLIGATIONS OF AN
AFFILIATE OR AFFILIATES.

DOCKET NO. E-01345A-02-0707

**MOTION TO INTERVENE BY
RELIANT RESOURCES, INC.**

Reliant Resources, Inc. ("Reliant") hereby moves to intervene in the above-entitled matter pursuant to A.A.C. R14-3-105. This Motion is supported by following facts:

1. Reliant is directly and substantially affected by the above-entitled application of Arizona Public Service Company ("APS") because:

- a. Reliant is the owner of a generation plant located in Casa Grande, Arizona.
- b. APS owns and operates a transmission system to which the plant is interconnected.
- c. The financing is intended to assist Pinnacle West Energy Corporation ("PWEC") (which is affiliated with APS and APS' parent, Pinnacle West Capital Corporation). PWEC owns generating facilities that compete with Reliant's generating facility for the sale of power and energy in Arizona.

LAW OFFICES

MARTINEZ & CURTIS, P.C.
2712 NORTH 7TH STREET
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(602) 248-0372

1 d. The proposed financing by APS may affect APS' financial
2 health and thus APS' ability to continue to provide transmission
3 service, as well as the rates for that service. The proposed
4 financing may also result in APS' ratepayers, including Reliant,
5 subsidizing the generation activities of APS' affiliates, and
6 adversely impact the competitive wholesale energy market in
7 Arizona.

8 2. The Application of APS submitted in support of its Application does not
9 provide the Commission with the financial basis on which it can make the foregoing finding.
10 Under A.R.S. § 40-3012, et seq., public service corporations may not issue notes and other
11 evidence of indebtedness without Commission approval. The Commission shall not grant
12 such an application "unless it finds that such issue is for lawful purposes which are within the
13 corporate powers of the applicant, are compatible with the public interest, with sound
14 financial practices and with the proper performance by the applicant of service as a public
15 service corporation and will not impair its ability to perform that service."

16 3. Reliant seeks to intervene in order to protect its direct and substantial
17 interest as outlined above, by exploring the issues of whether the financing "is for lawful
18 purposes which are within the corporate powers of the applicant, are compatible with the
19 public interest, with sound financial practices, and with the proper performance by the
20 applicant of service as a public service corporation and will not impair its ability to perform
21 that service" and thus, Reliant's intervention will not unduly broaden the issues to be decided
22 in this matter.

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2 4. Reliant respectfully requests that all pleadings and communications
3 regarding this Application be directed as follows:

4 Michael A. Curtis, Esq.
5 William P. Sullivan, Esq.
6 Martinez & Curtis, P.C.
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15 Mr. Brian Walker
16 Reliant Energy Wholesale Group
17 Post Office Box 286
18 Houston, Texas 77001
19 Telephone: (713) 207-6979
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Email: bwalker@reliant.com

20 WHEREFORE, it is requested that Reliant Resources, Inc. be authorized to
21 intervene as a party in the above-entitled matter.

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1 Respectfully submitted this 27th day of September, 2002.

2 MARTINEZ & CURTIS, P.C.

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1 Original and 10 copies of the foregoing filed this 27th day of September, 2002, with:

2 Docket Control
3 Arizona Corporation Commission
4 1200 West Washington Street
Phoenix, Arizona 85007

5 Copies of the foregoing hand-delivered this 27th day of September, 2002, to:

6 Chris Kempley, Chief Counsel
7 Arizona Corporation Commission
8 Legal Division
9 1200 West Washington Street
Phoenix, Arizona 85007

Lyn Farmer, Chief Administrative Law
Judge
Hearing Division
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1200 West Washington Street
Phoenix, Arizona 85007

10 Ernest G. Johnson, Director
11 Utilities Division
12 Arizona Corporation Commission
13 1200 West Washington Street
Phoenix, Arizona 85007

14 Copies of the foregoing mailed this 27th day of September, 2002, to:

15 Thomas L. Mumaw, Esq.
16 Senior Attorney
17 Pinnacle West Capital Corporation
18 P. O. Box 53999 MS 8695
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21 1755 financing intervention motion.0927.02